

QUARTERLY REPORT

LICENSEE: THE CLARIDGE AT PARK PLACE, INC.

FOR THE QUARTER ENDED JUNE 30, 2001

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**

BALANCE SHEETS

AS OF May 31, 2001 and June 30, 2000 *

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$17,473	\$14,466
2	Short-Term Investments.....	0	6,112
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2001, \$921; 2000, \$1,224).....	21,644	19,040
4	Inventories.....	2,416	2,110
5	Prepaid Expenses and Other Current Assets.....	1,384	1,640
6	Total Current Assets.....	42,917	43,368
7	Investments, Advances, and Receivables.....	43,392	44,185
8	Property and Equipment - Gross.....	42,301	39,781
9	Less: Accumulated Depreciation and Amortization.....	(13,516)	(12,752)
10	Property and Equipment - Net.....	28,785	27,029
11	Other Assets.....	745	617
12	Total Assets.....	\$115,839	\$115,199
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$3,296	\$4,208
14	Notes Payable.....	0	0
	Current Portion of Long-Term Debt:		
15	Due to Affiliates.....	0	0
16	Other.....	0	6
17	Income Taxes Payable and Accrued.....	0	0
18	Other Accrued Expenses.....	10,300	9,761
19	Other Current Liabilities.....	3,673	3,440
20	Total Current Liabilities.....	17,269	17,415
	Long-Term Debt:		
21	Due to Affiliates.....	0	0
22	Other.....	0	0
23	Deferred Credits.....	10,599	10,676
24	Other Liabilities and liabilities subject to compromise.....	56,924	56,700
25	Commitments and Contingencies		
26	Total Liabilities.....	84,792	84,791
27	Stockholders', Partners', or Proprietor's Equity.....	31,047	30,408
28	Total Liabilities and Equity.....	\$115,839	\$115,199

* Note: 2001 Balance sheet is as of May 31, 2001, which represents the last month of operation under the ownership of The Claridge at Park Place, Incorporated. See accompanying notes.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE FIVE MONTHS ENDED MAY 31, 2001 AND THE SIX MONTHS ENDED JUNE 30, 2000 *

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	Revenue:		
1	Casino.....	\$66,891	\$82,571
2	Rooms.....	4,103	5,132
3	Food and Beverage.....	7,525	9,557
4	Other.....	898	1,089
5	Total Revenue.....	79,417	98,349
6	Less: Promotional Allowances.....	8,794	10,815
7	Net Revenue.....	70,623	87,534
	Costs and Expenses:		
8	Cost of Goods and Services.....	43,055	49,493
9	Selling, General, and Administrative.....	21,371	24,826
10	Provision for Doubtful Accounts.....	188	340
11	Total Costs and Expenses.....	64,614	74,659
12	Gross Operating Profit.....	6,009	12,875
13	Depreciation and Amortization.....	657	505
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	0	0
15	Other.....	93	107
16	Income (Loss) from Operations.....	5,259	12,263
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....	0	0
18	Interest (Expense) - External.....	(135)	(48)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(334)	(400)
20	Nonoperating Income (Expense) - Net.....	(6,269)	(8,019)
21	Total Other Income (Expenses).....	(6,738)	(8,467)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(1,479)	3,796
23	Provision (Credit) for Income Taxes.....	0	0
24	Income (Loss) Before Extraordinary Items.....	(1,479)	3,796
	Extraordinary Items (Net of Income Taxes -		
25	20__, \$; 20__, \$).....	0	0
26	Net Income (Loss).....	(\$1,479)	\$3,796

* Note: 2001 Statement of Income is for the five months ended May 31, 2001 only; May 2001 represents the last month of operation under the ownership of The Claridge at Park Place, Incorporated. See accompanying notes.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE TWO MONTHS ENDED MAY 31, 2001 AND THE THREE MONTHS ENDED JUNE 30, 2000 *

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	Revenue:		
1	Casino.....	\$28,135	\$43,919
2	Rooms.....	1,924	2,981
3	Food and Beverage.....	3,130	4,996
4	Other.....	413	524
5	Total Revenue.....	33,602	52,420
6	Less: Promotional Allowances.....	3,750	5,719
7	Net Revenue.....	29,852	46,701
	Costs and Expenses:		
8	Cost of Goods and Services.....	17,575	25,004
9	Selling, General, and Administrative.....	9,256	13,467
10	Provision for Doubtful Accounts.....	127	183
11	Total Costs and Expenses.....	26,958	38,654
12	Gross Operating Profit.....	2,894	8,047
13	Depreciation and Amortization.....	263	265
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	0	0
15	Other.....	53	42
16	Income (Loss) from Operations.....	2,578	7,740
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....	0	0
18	Interest (Expense) - External.....	(135)	(21)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(161)	(225)
20	Nonoperating Income (Expense) - Net.....	(2,547)	(3,907)
21	Total Other Income (Expenses).....	(2,843)	(4,153)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	(265)	3,587
23	Provision (Credit) for Income Taxes.....	0	(84)
24	Income (Loss) Before Extraordinary Items.....	(265)	3,671
	Extraordinary Items (Net of Income Taxes -		
25	20__, \$; 20__, \$).....	0	0
26	Net Income (Loss).....	(\$265)	\$3,671

* Note: 2001 Statement of Income is for the two months ended May 31, 2001 only; May 2001 represents the last month of operation under the ownership of The Claridge at Park Place, Incorporated. See accompanying notes.

TRADING NAME OF LICENSEE: THE CLARIDGE CASINO HOTEL

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2000 AND THE FIVE MONTHS ENDED MAY 31, 2001 *

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1999.....	1,000	\$1		\$0	\$87,205	\$0	(\$60,594)	\$26,612
2	Net Income (Loss) -							5,914	5,914
3	Contribution to Paid-in-Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6								
7								
8								
9								
10	Balance, December 31, 2000.....	1,000	1	0	0	87,205	0	(54,680)	32,526
11	Net Income (Loss) -							(1,479)	(1,479)
12	Contribution to Paid-in -Capital.....								
13	Dividends.....								
14	Prior Period Adjustments.....								
15								
16								
17								
18								
19	Balance, June 30, 2001.....	1,000	\$1		\$0	\$87,205	0	(\$56,159)	\$31,047

Note: The Claridge Casino Hotel was sold on June 1, 2001 to Bally's Skyscraper Inc.; see accompanying notes.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE FIVE MONTHS ENDED MAY 31, 2001 AND THE SIX MONTHS ENDED JUNE 30, 2000 *

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	(\$2,122)	\$4,512
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	0	(6,112)
3	Proceeds from the Sale of Short-Term Investment Securities.....	8,159	5,049
4	Cash Outflows for Property and Equipment.....	(313)	(1,179)
5	Proceeds from Disposition of Property and Equipment.....	2	46
6	Purchase of Casino Reinvestment Obligations.....	(829)	(966)
7	Purchase of Other Investments and Loans/Advances made.....		
8	Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables.....	1,271	1,452
9	Cash Outflows to Acquire Business Entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	8,290	(1,710)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....		
14	Payments to Settle Short-Term Debt.....	(2)	
15	Cash Proceeds from Issuance of Long-Term Debt.....		
16	Costs of Issuing Debt.....		
17	Payments to Settle Long-Term Debt.....		(121)
18	Cash Proceeds from Issuing Stock or Capital Contributions.....		
19	Purchases of Treasury Stock.....		
20	Payments of Dividends or Capital Withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	(2)	(121)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	6,166	2,681
25	Cash and Cash Equivalents at Beginning of Period.....	11,307	11,785
26	Cash and Cash Equivalents at End of Period.....	\$17,473	\$14,466

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$0	\$48
28	Income Taxes.....	\$104	\$0

* Note: 2001 Statement of Cash Flows is for the five months ended May 31, 2001 only; May 2001 represents the last month of operation under the ownership of The Claridge at Park Place, Incorporated. See accompanying notes.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE FIVE MONTHS ENDED MAY 31, 2001 AND THE SIX MONTHS ENDED JUNE 30, 2000 *

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	(\$1,479)	\$3,796
	Noncash Items Included in Income and Cash Items Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	580	466
31	Amortization of Other Assets.....	77	39
32	Amortization of Debt Discount or Premium.....		
33	Deferred Income Taxes - Current.....		
34	Deferred Income Taxes - Noncurrent.....		
35	(Gain) Loss on Disposition of Property and Equipment.....	(2)	(55)
36	(Gain) Loss on Casino Reinvestment Obligations.....	334	400
37	(Gain) Loss from Other Investment Activities.....		
38	Net (Increase) Decrease in Receivables and Patrons' Checks excl. recl. From Long Term of (\$974) and (\$511).....	(1,050)	(885)
39	Net (Increase) Decrease in Inventories.....	(37)	(153)
40	Net (Increase) Decrease in Other Current Assets.....	101	(501)
41	Net (Increase) Decrease in Other Assets.....	(31)	(243)
42	Net Increase (Decrease) in Accounts Payable.....	(996)	985
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	306	5
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	75	658
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	(\$2,122)	\$4,512

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$314	\$1,179
49	Less: Capital Lease Obligations Incurred.....		
50	Cash Outflows for Property and Equipment.....	\$314	\$1,179
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$	\$
52	Goodwill Acquired.....		
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....		
54	Long-Term Debt Assumed.....		
55	Issuance of Stock or Capital Invested.....		
56	Cash Outflows to Acquire Business Entities.....	\$	\$
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....		\$
58	Less: Issuances to Settle Long-Term Debt.....		
59	Consideration in Acquisition of Business Entities.....		
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$0	\$

* Note: 2001 Statement of Cash Flows is for the five months ended May 31, 2001 only; May 2001 represents the last month of operation under the ownership of The Claridge at Park Place, Incorporated. See accompanying notes.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE FIVE MONTHS ENDED MAY 31, 2001 *

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	32,631	\$2,564		
2	Food	319,049	\$3,778		
3	Beverage	396,569	\$2,355		
4	Travel			1,323	\$311
5	Bus Program Cash			314,639	\$5,001
6	Other Cash Complimentaries			226,214	\$5,104
7	Entertainment	2,751	\$97		
8	Retail & Non-Cash Gifts			24,932	\$415
9	Parking			52,258	\$78
10	Other			88,654	\$816
11	Total	751,000	\$8,794	708,020	\$11,725

FOR THE TWO MONTHS ENDED MAY 31, 2001 *

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	13,182	\$1,166		
2	Food	137,020	\$1,580		
3	Beverage	163,330	\$971		
4	Travel			606	\$130
5	Bus Program Cash			138,397	\$2,033
6	Other Cash Complimentaries			115,174	\$2,638
7	Entertainment	837	\$33		
8	Retail & Non-Cash Gifts			10,369	\$158
9	Parking			23,278	\$35
10	Other			36,044	\$333
11	Total	314,369	\$3,750	323,868	\$5,327

* Note: May 2001 represents the last month of operation under the ownership of The Claridge at Park Place, Incorporated.
See accompanying notes.

THE CLARIDGE AT PARK PLACE, INCORPORATED
(Debtor-In-Possession effective August 16, 1999)
Notes to Financial Statements
(unaudited)
June 30, 2001

1. SIGNIFICANT EVENTS

The Claridge at Park Place, Incorporated ("New Claridge") is a wholly-owned subsidiary of The Claridge Hotel and Casino Corporation (the "Corporation"). In October 1983, New Claridge acquired certain assets of The Claridge Casino Hotel (the "Claridge"), including gaming equipment, (the "Casino Assets") from Del E. Webb New Jersey, Inc., a wholly-owned subsidiary of Del Webb Corporation, leased certain other of the Claridge's assets, including the buildings, valet-parking facility and nongaming, depreciable, tangible property of the Claridge (the "Hotel Assets") from Atlantic City Boardwalk Associates, L.P., ("ACBA"), subleased the land on which the Claridge is located from ACBA, assumed certain liabilities related to the acquired assets, and undertook to carry on the business of the Claridge.

In October 1988, the Corporation and New Claridge entered into an agreement to restructure the financial obligations of the Corporation and New Claridge (the "Restructuring Agreement"). The restructuring, which was consummated in June 1989, resulted in (i) a reorganization of the ownership interests in the Claridge; (ii) modifications of the rights and obligations of certain lenders; (iii) satisfaction and termination of the obligations and commitments of Webb and DEWNJ under the original structure; (iv) modifications of the lease agreements between New Claridge and the ACBA; and (v) the forgiveness by Webb of substantial indebtedness.

On January 31, 1994, the Corporation completed an offering of \$85 million of First Mortgage Notes (the "Notes") due 2002, bearing interest at 11 3/4%. The Notes were secured by (i) a non-recourse mortgage granted by the Partnership representing a first lien on the Hotel Assets; (ii) a pledge granted by the Corporation of all outstanding shares of capital stock of New Claridge; and (iii) a guarantee by New Claridge. New Claridge's guarantee of the Notes was secured by a collateral assignment of the second lien Expandable Wraparound Mortgage, and by a lien on the Claridge's gaming and other assets, which lien would have been subordinated to liens that may have been placed on those gaming and other assets to secure any future revolving credit line arrangement. On January 28, 1997, New Claridge entered into an agreement to subject the new self-parking garage to the lien of the mortgage; such lien would not have been subordinated to any lien which may be placed on New Claridge's gaming and other assets to secure any future revolving credit line arrangement. Interest on the Notes was payable semiannually on February 1 and August 1 of each year.

As a result of significant accumulated deficits and the inability to service the debt on the Notes, on August 16, 1999, the Corporation and New Claridge filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court"). ACBA filed a voluntary petition under Chapter 11 of the Bankruptcy Code on October 5, 1999.

On November 28, 2000, the Corporation, New Claridge and ACBA filed a joint plan of reorganization and disclosure statement (the "Plan") with the Bankruptcy Court. The Plan provided for a sale of substantially all of the assets of New Claridge and ACBA to Park Place Entertainment Corporation ("PPE"). The Plan was approved by the Bankruptcy Court on March 27, 2001 to be submitted to the creditors of the Corporation, New Claridge and ACBA for a vote. A sufficient

THE CLARIDGE AT PARK PLACE, INCORPORATED
(debtor-in-possession effective August 16, 1999)
Notes to Financial Statements - continued
(unaudited)
June 30, 2001

1. SIGNIFICANT EVENTS (continued)

number of creditors subsequently voted to approve the Plan, and it was confirmed by the Bankruptcy Court on May 16, 2001.

The sale to PPE was effective on June 1, 2001. As a result, effective on that day, New Claridge is no longer licensed by the New Jersey Casino Control Commission to operate a casino in Atlantic City. The accompanying financial statements reflect the results of operations of the Claridge through May 31, 2001, prior to the effects of the sale to PPE.

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter. (See accompanying note to financial statements.)


Signature

Vice President/Controller
For Bally's Skyscraper Inc.
Title

02461-11
License Number

On Behalf of:

The Claridge at Park Place, Inc.
Casino Licensee